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MICHIGAN LABOR MARKET REVIEW

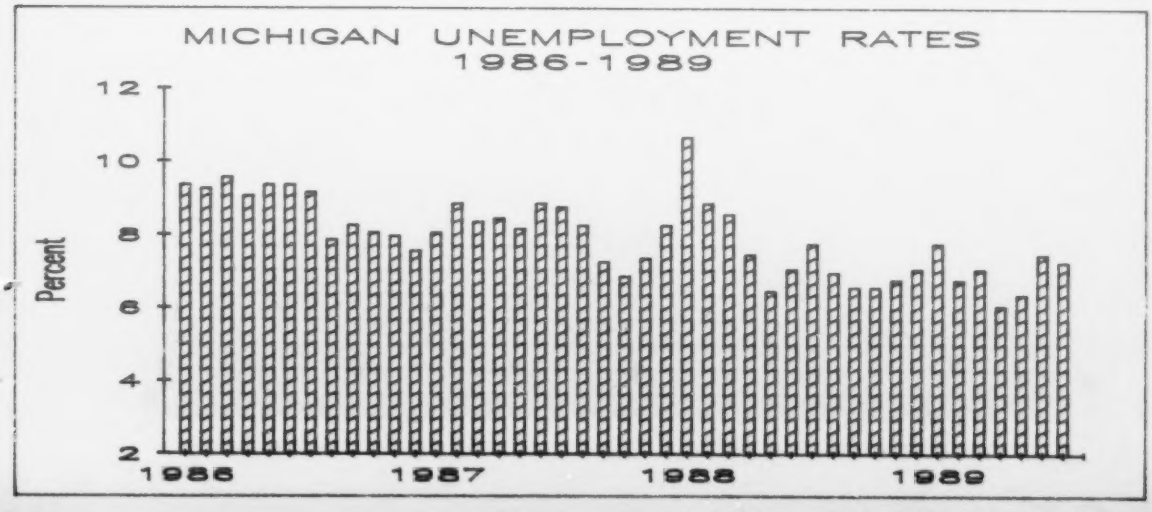
JOB SERVICE
Michigan Employment Security Commission

STATEWIDE JOBLESS RATE SLIPS

Michigan's unemployment rate decreased by two-tenths of a percentage point as the jobless rate dipped from 7.5 percent in June to 7.3 percent in July. The rate decline represents 6,000 fewer individuals out of work, as total state residents seeking employment slipped to 345,000. The decrease in joblessness was primarily a result of seasonal employment advances. Total employment in July registered an increase as the number of employed state residents climbed by 56,000 to reach 4,383,000. Additionally, the civilian labor force grew to 4,728,000, a gain of 50,000. Compared with a year ago, employment in the Michigan has jumped by 69,000, while the size of the labor force has increased by 50,000. In July 1988, the total number of persons out of work amounted to 364,000, representing an unemployment rate of 7.8 percent.

WAGE AND SALARY LEVELS DECLINE

Total nonagricultural wage and salary employment in Michigan fell as industry jobs dropped to 3,834,000 in July. Employment opportunities decreased by approximately 52,000 as losses were centered in both the goods producing and service producing sectors of the economy. Total employment in the goods producing industries fell by 16,000 primarily as a result of automotive production adjustments. Service producing employment plunged by 37,000 to 2,746,000 in July, as educational facilities began their summer recess period. Public sector positions fell by 45,000 as a result. Since July 1988, industry employment in Michigan has increased by 61,000 positions or 6.1 percent. Approximately 71,000 service producing jobs have been added throughout the year, while goods producing employment dropped by 10,000.



Civilian Labor Force, Employment, and Unemployment Estimates

State of Michigan

ITEM	JULY 1989	JUNE 1989	MAY 1989	JULY 1988
PLACE OF RESIDENCE				
Civilian Labor Force	4728	4678	4578	4678
Employment	4383	4327	4285	4314
Unemployment	345	351	293	364
Rate	7.3	7.5	6.4	7.8
PLACE OF WORK				
Wage and Salary Employment	3834	3886	3889	3773
Goods Producing Industries	1088	1104	1101	1098
Construction and Mining	157	152	148	158
Mining	11	11	11	11
Construction	146	141	137	147
Special trade Contractors	93	90	88	96
Other Construction	52	51	49	51
Manufacturing	931	952	953	940
Durable Goods	707	727	731	714
Lumber and Wood Products	15	16	15	15
Furniture and Fixtures	35	35	34	34
Stone, Clay and Glass Products	20	21	20	19
Metals	159	165	166	160
Primary Metals	46	46	47	46
Fabricated Metals	113	118	120	114
Nonelectrical Machinery	122	124	124	118
Electrical Machinery	35	36	36	35
Transportation Equipment	297	308	312	310
Motor Vehicles and Equipment	279	291	296	291
Other Transportation Equipment	17	17	17	19
Other Durable Goods	24	24	23	23
Nondurable Goods	224	225	222	226
Food and Kindred Products	46	43	41	48
Textiles and Apparel	20	21	21	21
Paper and Allied Products	21	21	21	21
Printing and Publishing	43	44	43	42
Chemicals and Petroleum	45	45	44	44
Other Nondurable Goods	49	51	51	50
Rubber and Plastic Prod.	47	48	49	48
Leather Products	3	3	3	2
Service Producing Industries	2746	2783	2788	2675
Trans., Comm. and Utilities	156	156	155	158
Transportation and Utilities	122	122	121	123
Communications	34	34	34	36
Wholesale Trade	199	198	197	189
Durable Goods	125	126	126	120
Nondurable Goods	73	72	71	69
Retail Trade	726	726	719	707
General Merchandise Stores	101	101	101	99
Food Stores	111	110	109	105
Automotive Dealers and Services	80	79	79	79
Eating and Drinking Places	252	251	247	247
Other Retail Trade	182	183	184	178
Finance, Insurance and Real Estate	190	190	188	188
Finance	97	97	96	95
Insurance and Real Estate	93	93	92	93
Services	896	888	883	861
Business Services	200	195	192	189
Health Services	285	283	283	280
Other Services	411	410	408	391
Government	580	625	646	573
Federal	61	61	60	61
State	148	154	159	144
Local	370	411	427	367

CIVILIAN LABOR FORCE data are based on the monthly Current Population Survey of the U.S. Bureau of Labor Statistics - 1988 Benchmark.

WAGE AND SALARY EMPLOYMENT is based on a monthly sample of employing establishments as part of the cooperative federal-state Current Employment Statistics program - March 1988

CLAIMS ACTIVITY

The number of individuals collecting regular unemployment benefits increased for the first time in five months. The regular benefits claims load averaged 111,200 per week during the month, approximately 26,798 more than the June total.

The 32 percent increase was primarily due to seasonal cutbacks at educational facilities and automotive production adjustments. In July 1988, the number of claimants drawing benefits under the regular benefit program averaged 91,371.

WEEKLY CLAIMS FOR UNEMPLOYMENT INSURANCE

Week Ending	Michigan			Detroit		
	Total	Initial	Continued	Total	Initial	Continued
July 01, 1989	112,900	25,900	87,000	56,800	13,900	42,900
July 08, 1989	121,200	24,900	96,300	57,600	10,500	47,100
July 15, 1989	141,200	31,100	110,100	71,500	16,400	55,100
July 22, 1989	141,300	27,500	113,800	69,800	12,200	57,600
July 29, 1989	153,300	29,600	123,700	75,300	12,700	62,600

SLIGHT RISE IN AREA PRICES

Consumer prices in the Detroit metropolitan area increased from 121.7 in April to 122.1 in June. The increase in Detroit area prices was primarily due to higher costs for housing and transportation. Prices in the area climbed by 3.6 percent since June 1988, when the consumer price index stood at 115.4. At the national level, the cost of living advanced by two-tenths of a percent to reach 124.1 during the month.

The higher national prices were due to additional costs for housing and medical care. Between June 1988 and June 1989, national consumer prices increased by 5.2 percent. One year ago, the national index registered 118.0. Note: Beginning in January 1987, the Consumer Price Indexes were shifted to a new reference base year. All indexes expressed on a 1967=100, were rebased to 1982-1984=100.

HOURS AND EARNINGS

The average workweek of Michigan workers in manufacturing industries decreased to 41.4 hours in July. The decrease occurred primarily as a result of fewer hours worked by individuals in the automotive industry.

During the month, average hourly earnings dropped by seventeen cents to $13.46, while average weekly earnings decreased by $27.49 to total $557.24. In July 1988, earnings averaged $13.29 an hour or $551.53 per week for a 41.5 hour workweek.

MICHIGAN'S HOURS AND EARNINGS

Industry	Average Weekly Earnings a/			Average Weekly Hours a/			Average Hourly Earnings a/		
	Jul 1989	Jun 1989	Jul 1988	Jul 1989	Jun 1989	Jul 1988	Jul 1989	Jun 1989	Jul 1988
TOTAL MANUFACTURING	$557.24	$584.73	$551.53	41.4	42.9	41.5	$13.46	$13.63	$13.29
DURABLE GOODS	587.81	616.90	584.50	41.6	43.2	41.9	14.13	14.28	13.95
Primary Metal Products	612.58	616.27	619.23	43.2	43.8	43.7	14.18	14.07	14.17
Fabricated Metal Products	528.90	566.58	529.07	39.5	42.0	39.9	13.39	13.49	13.26
Nonelectrical Machinery	593.93	602.04	592.74	43.8	44.3	44.4	13.56	13.59	13.35
Electrical Machinery	447.33	509.08	460.89	40.3	44.0	40.5	11.10	11.57	11.38
Motor Vehicles & Equip.	695.54	736.23	680.61	41.9	44.1	42.3	16.60	16.74	16.09
NONDURABLE GOODS	457.78	475.15	445.21	40.8	41.9	40.4	11.22	11.34	11.02
Contract Construction	669.76	617.01	666.54	41.6	39.2	41.4	16.10	15.74	16.10
Department Stores	188.38	188.48	179.29	28.2	27.8	29.2	6.68	6.78	6.14

a/ Average weekly and hourly earnings are computed from aggregates of individual establishment reports utilizing the total amount paid to production workers and total production hours. Average weekly and hourly earnings differ from weekly and hourly rates in that they are affected by overtime wage rates, part-time earnings, the length of the workweek, etc.

Note: *Current month data are preliminary.*

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ESTIMATES
JULY 1989 (Preliminary)

Area	Civilian Labor Force	Total Employment	Total Unemployment	Unemployment Rate
United States	126,238,000	119,502,000	6,736,000	5.3
Michigan	4,728,000	4,383,000	345,000	7.3
Major Labor Markets				
Ann Arbor MSA	163,200	156,100	7,100	4.4
Battle Creek MSA	66,000	61,100	4,900	7.5
Benton Harbor MSA	81,300	75,600	5,700	7.0
Detroit MSA	2,260,000	2,090,000	170,000	7.5
Flint MSA	195,900	171,300	24,600	12.6
Grand Rapids MSA	373,400	352,400	21,000	5.6
Jackson MSA	66,900	62,600	4,300	6.4
Kalamazoo MSA	120,200	113,900	6,200	5.2
Lansing MSA	245,000	230,400	14,500	5.9
Muskegon MSA	69,400	63,600	5,700	8.3
Saginaw-Bay-Midland MSA	189,300	175,600	13,700	7.2
Upper Peninsula LMA	141,300	132,800	8,500	6.0
Major Counties (15,000+)				
Allegan	58,025	55,250	2,750	4.7
Barry	23,425	21,950	1,475	6.3
Bay	54,500	50,275	4,200	7.7
Branch	18,725	17,375	1,350	7.2
Cass	24,275	22,750	1,500	6.2
Clinton	30,775	28,625	2,150	7.0
Delta	16,550	15,650	900	5.4
Eaton	53,225	50,050	3,200	6.0
Grand Traverse	40,050	37,700	2,350	5.9
Gratiot	19,000	16,900	2,075	11.0
Hillsdale	20,475	18,650	1,825	8.9
Huron	17,225	15,775	1,450	8.4
Ingham	160,950	151,750	9,200	5.7
Ionia	20,300	18,175	2,125	10.5
Isabella	29,500	28,075	1,425	4.8
Kent	275,025	258,625	16,375	6.0
Lapeer	35,125	31,325	3,800	10.8
Lenawee	44,800	41,200	3,600	8.0
Livingston	55,225	52,400	2,825	5.1
Macomb	389,975	364,775	25,200	6.5
Marquette	28,925	27,400	1,525	5.3
Mecosta	15,225	14,425	825	5.4
Midland	35,875	34,025	1,850	5.1
Monroe	65,500	61,000	4,500	6.9
Montcalm	25,075	23,050	2,025	8.1
Newaygo	18,550	17,075	1,475	8.0
Oakland	602,300	566,500	35,800	5.9
Ottawa	98,375	93,800	4,600	4.7
Saginaw	98,950	91,300	7,650	7.7
St. Clair	68,375	62,325	6,050	8.8
St. Joseph	29,500	27,075	2,425	8.2
Sanilac	21,575	19,550	2,025	9.4
Shiawassee	36,050	32,250	3,825	10.6
Tuscola	24,750	22,175	2,600	10.5
Van Buren	35,725	32,875	2,850	8.0
Wayne	1,043,600	951,475	92,125	8.8

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